

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Fiscal Policy

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BILL: CS/SB 520

INTRODUCER: Fiscal Policy Committee (Recommended by Appropriations Subcommittee on Education); and Senators Lee and Gaetz

SUBJECT: Florida Bright Futures Scholarship Program

DATE: January 14, 2016

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Graf</u>	<u>Klebacha</u>	<u>HE</u>	<u>Favorable</u>
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AED</u>	<u>Recommend: Fav/CS</u>
3.	<u>Pace</u>	<u>Hrdlicka</u>	<u>FP</u>	<u>Fav/CS</u>

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/SB 520 modifies the permissible activities in which a student can participate to meet the service work requirements for Florida Bright Futures Scholarship Program awards, allows an eligible student to defer the award while participating in a full-time religious or service obligation, repeals the higher SAT or ACT score requirement for home education students, and creates the Florida Gold Seal CAPE-Vocational Scholars award as an alternative to the current Florida Gold Seal Vocational award.

The fiscal impact of the number of students who could potentially benefit from the award deferment authorized in the bill is not known, but is expected to be nominal. The fiscal impact of repealing the higher test score requirement for a home education program student to earn a Florida Medallion Scholars award is estimated to be between \$100,000 and \$300,000 in recurring expenditures to the Educational Enhancement Trust Fund (EETF) due to more home education students qualifying for the award. The fiscal impact of the Florida Gold Seal Vocational Scholars eligibility and award changes are expected to be minimal beginning in the 2019-2020 fiscal year.

## II. Present Situation:

### Florida Bright Futures Scholarship Program

The Florida Bright Futures Scholarship Program (program) is a lottery-funded scholarship program to reward a Florida high school graduate who merits recognition for high academic achievement and who enrolls in a degree program, certificate program, or applied technology program at an eligible public or private postsecondary institution in Florida after graduating from high school.<sup>1</sup> The Department of Education (DOE) administers the program in accordance with rules and procedures adopted by the State Board of Education.<sup>2</sup>

The program consists of three types of awards:<sup>3</sup>

- Florida Academic Scholars (FAS);<sup>4</sup>
- Florida Medallion Scholars (FMS);<sup>5</sup> and
- Florida Gold Seal Vocational Scholars (FGSV).<sup>6</sup>

### Service Work Requirements

To be eligible for a scholarship award, a student must complete service hours during high school and by high school graduation.<sup>7</sup> The number of community service work hours required differ among the three programs. For FAS, students must perform a minimum of 100 hours of community service work,<sup>8</sup> FMS students must perform a minimum of 75 hours of community service work,<sup>9</sup> and FGSV students must perform a minimum of 30 hours of community service work.<sup>10</sup> To fulfill the community service work requirements, students graduating in the 2011-2012 academic year, and thereafter, must complete community service work, identify a social problem of interest, develop a plan for personal involvement in addressing the problem, and reflect on such experience through papers or presentations. The community service work must be approved by the district school board, the administrators of a nonpublic school, or the DOE for home education program students.<sup>11</sup>

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<sup>1</sup> Sections 1009.53(1) and 1009.531(2)(a)-(c), F.S., specify that a student graduating from high school prior to the 2010-2011 academic year is eligible to accept an initial award for 3 years following high school graduation and to accept a renewal award for 7 years following high school graduation. Each student graduating in the 2010-2011 and 2011-2012 academic school years is eligible to accept an initial award for 3 years following high school graduation and to accept a renewal award for 5 years following high school graduation. In the 2012-2013 academic school year, and thereafter, a student graduating from high school is able to accept an initial award for 2 years following high school and to accept a renewal award for 5 years following high school graduation.

<sup>2</sup> Section 1009.53(3), F.S.

<sup>3</sup> Section 1009.53(2), F.S.

<sup>4</sup> Section 1009.534, F.S.

<sup>5</sup> Section 1009.535, F.S.

<sup>6</sup> Section 1009.536, F.S.

<sup>7</sup> Florida Department of Education, Office of Student Financial Assistance, *2015-2016 Bright Futures Student Handbook, Chapter 1: Initial Eligibility Requirements*, p. 4, (December 12, 2015) available at <http://www.floridastudentfinancialaid.org/SSFAD/PDF/BFHandbookChapter1.pdf> (last visited January 7, 2016).

<sup>8</sup> Section 1009.534(1), F.S.

<sup>9</sup> Section 1009.535(1), F.S.

<sup>10</sup> Section 1009.536(1)(e), F.S.

<sup>11</sup> See ss. 1009.534(1), 1009.535(1), and 1009.536(1)(e), F.S.

The 2015-2016 General Appropriations Act (GAA) implementing bill expanded the opportunities for a student to fulfill the community service work requirement by allowing a student to complete a program of volunteer service work. Specifically, the program of volunteer service work (*italics provided to show differences between the GAA implementing bill and current statutory requirements*):

- Requires approval by the district school board, the administrators of a nonpublic school, or the DOE for home education program students;
- Requires the student to identify a social *or civic issue or a professional area* of interest;
- Requires the student to develop a plan for personal involvement in addressing the issue *or learning* about the professional area, as well as evaluating and reflecting on such experience through papers or presentations;
- *Prohibits a student from receiving compensation or academic credit for the volunteer service work, except for credit earned through service-learning courses;*<sup>12</sup>
- *Requires the volunteer service hours to be documented in writing and signed by the student, the student's parent or guardian, and a representative of the organization where the student volunteered; and*
- *Authorizes volunteer service work to include, but not be limited to:*
  - *Internship with a business or government entity;*
  - *Work for a nonprofit community service organization; or*
  - *Activity on behalf of a candidate for public office.*<sup>13</sup>

The program of volunteer service work applies to the FAS, FMS, and FGSV awards and expires on July 1, 2016.

### **Student Eligibility Requirements**

Currently, a student who graduates from high school having met the requirements of a Florida Bright Futures Scholarship award is eligible to accept:

- An initial award for a period of 2 years; and
- A renewal award for 5 years after graduating from high school.<sup>14</sup>

A student who enlists in the United States Armed Forces immediately after high school graduation can defer the 2-year eligibility period for initial award and 5-year renewal period of the award until the student separates from active duty.<sup>15</sup> Also, for a student who receives the scholarship award but discontinues his or her education to enlist in the United States Armed Forces, the remainder of his or her 5-year renewal period commences upon the date of separation from active duty.<sup>16</sup>

<sup>12</sup> Section 11, ch. 2015-222, L.O.F. Service-learning courses are adopted by school districts pursuant to s. 1003.497, F.S.

<sup>13</sup> Section 11, ch. 2015-222, L.O.F.

<sup>14</sup> Section 1009.531(2)(c), F.S.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

### ***FAS & FMS Academic Requirements***

To be eligible to receive a scholarship award, students must also meet specific academic requirements.<sup>17</sup> The FAS and FMS require certain SAT or ACT scores, depending on the academic year. For the 2013-2014 academic year and on, a student must earn a SAT score of 1290 or ACT score of 29 for the FAS, and a SAT score of 1170 or ACT score of 26 for the FMS. However, for the FMS, a student in a home education program whose parent cannot document a college-preparatory curriculum must earn a SAT score of 1220 or ACT score of 27 to be eligible.<sup>18</sup> The FGSV does not require minimum SAT or ACT scores.

### **Florida Gold Seal Vocational Scholars**

The Florida Gold Seal Vocational Scholars award can only be used to fund a career education or certificate program. Florida high school students who wish to qualify for the FGSV award must meet the following initial eligibility requirements:

- Graduate from high school with a standard high school diploma;
- Earn a minimum weighted cumulative 3.0 grade point average (GPA) on all subjects required for a standard high school diploma (excluding elective courses);
- Complete at least 3 sequential courses in a career and technical education program and earn minimum 3.5 unweighted GPA in the courses;
- Demonstrate postsecondary education readiness by earning a passing score on the Florida Postsecondary Education Readiness Test; and
- Complete 30 service hours.<sup>19</sup>

### **III. Effect of Proposed Changes:**

The bill modifies the permissible activities in which a student can participate in to meet the service work requirements for Florida Bright Futures Scholarship Program awards, allows an eligible student to defer the award while participating in a full-time religious or service obligation, repeals the requirement of higher SAT or ACT scores for home education students, and establishes new initial eligibility requirements and allowable uses of the FGSV award.

#### **Service Work Requirements**

The bill protects the volunteer service work provisions of the 2015-2016 GAA implementing bill<sup>20</sup> from repeal by enacting modified provisions and providing an effective date of July 1, 2016. Specifically, the bill codifies the program of volunteer service work, as described above in the Present Situation that affects student eligibility for the FAS, FMS, and FGSV awards.

The bill clarifies that “community” service work means “volunteer” service work.

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<sup>17</sup> Sections 1009.534(1), 1009.535(1), and 1009.536(1)(e), F.S.

<sup>18</sup> Section 1009.531(6), F.S.

<sup>19</sup> *Supra* note 7 at p. 6.

<sup>20</sup> Section 11, ch. 2015-222, L.O.F. This section of the chapter law expires July 1, 2016.

### **Student Eligibility Requirements**

The bill modifies the student eligibility requirements for initial award of the Florida Bright Futures Scholarship. The bill allows a student who is eligible for a Florida Bright Futures Scholarship award, but unable to accept the award immediately following high school graduation due to a full-time religious or service obligation lasting at least 18 months, to defer the 2-year initial award period and the 5-year renewal period until the student completes the religious or service obligation.

For the student to be eligible for the deferment, the religious or service obligation sponsoring organization must meet the requirements for nonprofit status under s. 501(c)(3) of the Internal Revenue Code or be a federal government service organization, such as the Peace Corps and AmeriCorps programs. The sponsoring organization must document, in writing, and verify the student's religious obligation or service work on a standardized form prescribed by the DOE.

In effect, students that would otherwise forfeit a scholarship due to participation in a religious or service obligation may retain eligibility, similar to the flexibility currently granted to students who enlist in the United States Armed Forces.

### ***FMS Academic Requirements***

Additionally, the bill repeals the higher SAT or ACT score required for a student in a home education program whose parent cannot document college-preparatory curriculum to be eligible for the FMS award. Under the proposed legislation, a home education program student would be required to meet the same test score requirements as other high school students.

The bill repeals obsolete requirements for certain SAT and ACT scores for the FAS and FMS awards for past academic years.

### **Florida Gold Seal Vocational Scholars Eligibility Requirements and Award**

The bill creates an additional path for a student to receive a vocational scholarship under the Florida Bright Futures Scholarship program. The bill creates the Florida Gold Seal CAPE-Vocational Scholars award as an alternative to the FGSV described in the Present Situation. Beginning with 2016-2017 high school graduates, a student may choose to earn a Florida Gold Seal CAPE-Vocational Scholars award by meeting the general eligibility requirements for the Florida Bright Futures Scholarship program and earning a minimum of 5 postsecondary credits through CAPE industry certifications which articulate for college credit. Students must also meet the new service requirements described in the Present Situation.

The bill allows a student who earns a Florida Gold Seal CAPE-Vocational Scholars award to receive an award for a maximum of 100 percent of the number of credit hours or equivalent clock hours required to complete one of the following at a Florida public or nonpublic education institution:

- An applied technology diploma program (up to 60 credit hours or equivalent clock hours);
- A technical degree education program (up to the number of hours required for a specific degree, not to exceed 72 credit hours or equivalent clock hours); or
- A career certificate program (up to the number of hours or equivalent clock hours).

A student who transfers from one program level to another is eligible for the higher of the two credit hour limits.

The bill allows a student who earns a Florida Gold Seal CAPE-Vocational Scholars award and who also completes a technical degree education program as defined in s. 1004.02(13), F.S., to receive an award for:

- A maximum of 60 credit hours for a bachelor of science degree program in which there is a statewide associate in science to bachelor of science degree program articulation agreement; or
- A maximum of 60 credit hours for a bachelor of applied science degree program at a Florida College System institution.

The bill takes effect on July 1, 2016.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Under the bill, more students may remain eligible for the Florida Bright Futures Scholarship Program award due to the religious or service obligation deferment option. The bill may encourage more students to participate in religious or service activities immediately after high school graduation because they can remain eligible for a Bright Futures Scholarship Program award.<sup>21</sup>

In addition, more students participating in a home education program may be eligible for the FMS award due to the repeal of the higher SAT or ACT score requirements.<sup>22</sup>

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<sup>21</sup> Florida Department of Education, *2016 Agency Legislative Bill Analysis for SB 520* (on file with the Committee on Higher Education).

<sup>22</sup> *Id.*

In the 2014-2015 fiscal year, the average FMS award was \$1,740.<sup>23</sup>

Beginning with 2016-2017 high school graduates, the bill allows a student to earn a Florida Gold Seal CAPE-Vocational Scholars award. A student that participates in this new award program and who completes a technical degree education program is entitled to receive additional funding for specific bachelor degree programs.

### C. Government Sector Impact:

Approximately 68 percent of students initially eligible for a Florida Bright Futures Scholarship award enroll in a Florida postsecondary institution and receive funding.<sup>24</sup> The number of students who don't accept an award immediately after high school graduation, who could potentially benefit from the award deferment authorized in the bill is not known, but is expected to be nominal.

The fiscal impact of repealing the higher test score requirement for a home education program student to earn an FMS award is estimated to be between \$100,000 and \$300,000 in recurring expenditures to the Educational Enhancement Trust Fund due to more home education students qualifying for the FMS award.<sup>25</sup>

For the 2013-2014 high school graduating class, there were 6,342 students who earned an initial FGSV award, of which only 882 (13.9 percent) actually received funding.<sup>26</sup> For that same 2013-2014 high school graduating class, 3,146 students, approximately half of the initially eligible FGSV students, met the new requirement specified in the bill for the new award program of earning a minimum of five postsecondary credits through CAPE industry certifications which articulate for college credit.<sup>27</sup> However, it is unknown how many of these students would have received funding for the new award program or how many would meet the requirements and utilize the new funding eligibility for an additional 60 credit hours for specific bachelor degree programs. The fiscal impact of the new award program is expected to be minimal beginning in the 2019-2020 fiscal year.

## VI. Technical Deficiencies:

None.

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<sup>23</sup> Florida Department of Education, Office of Student Financial Assistance, *2014-15 Florida Bright Futures – Florida Medallion Scholarship End-of-Year Report* (Sept. 2015), available at [https://www.floridastudentfinancialaid.org/pdf/EOY\\_Reports/2014-15/BFFMS\\_2014\\_2015.pdf](https://www.floridastudentfinancialaid.org/pdf/EOY_Reports/2014-15/BFFMS_2014_2015.pdf) (last visited January 11, 2016).

<sup>24</sup> Senate Appropriations Subcommittee on Education staff analysis of Florida Department of Education, *Florida High School Graduates Eligible for and Receiving Bright Futures* (Sept. 2014), available at <http://www.floridastudentfinancialaid.org/SSFAD/PDF/BFstats/BFReportsB.pdf> (last visited January 7, 2015).

<sup>25</sup> *Supra* note 21.

<sup>26</sup> Email from the Florida Department of Education, Office of Student Financial Assistance, *Florida Gold Seal Vocational Scholarship Initial Eligible and Disbursed Student Counts: 2011-12 – 2015-16*, November 30, 2015 (on file with the Senate Appropriations Subcommittee on Education).

<sup>27</sup> Email from the Florida Department of Education, Division of Career and Adult Education, *Articulated Credits (Report 3) Updated*, November 19, 2015 (on file with the Senate Appropriations Subcommittee on Education).

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 1009.531, 1009.532, 1009.534, 1009.535, and 1009.536.

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Fiscal Policy on January 14, 2015.**

The committee substitute:

- Creates Florida Gold Seal CAPE-Vocational Scholars award as an alternative to the FGSV; and
- Establishes eligibility requirements and allowable uses for new award program.

- B. **Amendments:**

None.